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FM AMEMBASSY ASHGABAT
TO RUEHC/SECSTATE WASHDC PRIORITY 1782
INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE
RUCNCIS/CIS COLLECTIVE
RUCNMEM/EU MEMBER STATES COLLECTIVE
RUEHAK/AMEMBASSY ANKARA 4451
RUEHBJ/AMEMBASSY BEIJING 2263
RUEHKO/AMEMBASSY TOKYO 2128
RUEHIT/AMCONSUL ISTANBUL 2699
RHEBAAA/DEPT OF ENERGY WASHDC
RHMFISS/CDR USCENTCOM MACDILL AFB FL
RUCPDOG/DEPT OF COMMERCE WASHDC
RUEAIIA/CIA WASHDC
RHEFDIA/DIA WASHDC
RUEKJCS/JOINT STAFF WASHDC
RHEHNSC/NSC WASHDC
RUEKJCS/SECDEF WASHDC
RUEHVEN/USMISSION USOSCE 3018

C O N F I D E N T I A L ASHGABAT 001425

SIPDIS

STATE FOR SCA/CEN, EEB
PLEASE PASS TO USTDA DAN STEIN
ENERGY FOR EKIMOFF, THOMPSON
COMMERCE FOR HUEPER

E.O. 12958: DECL: 10/30/2018
TAGS: [PREL](#) [ECON](#) [EPET](#) [TX](#)
SUBJECT: TURKMENISTAN: CHEVRON OFFER OF TRAINING
POTENTIALLY BEARING FRUIT

REF: ASHGABAT 1354

Classified By: Charge Sylvia Reed curran for reasons 1.4 (b) and (d).

¶1. (C) The Chevron Amciti country manager told Charge October 30 that the company's proposals to provide training to Turkmen officials may be starting to bear some fruit. In early October, he sent a letter to State Agency for the Management and Use of Hydrocarbon Resources Director Yagshygeldi Kakayev, requesting the nomination of 30 participants to attend a two-day workshop on carbonate reservoirs, drilling in salt environments and operations in high-pressure, high-temperature, high H2S environments. In addition, he had proposed to Turkmen Gas head Baymurat Hojамuhammedov a workshop on project management, also for 30 officials (reftel). Although he is yet to hear back from Kakayev, Hojамuhammedov sent him a letter accepting the offer. The project management workshop is now scheduled for December 2-4.

¶2. (C) On October 29, the country manager met with Hojамuhammedov to follow up. The country manager said difference between this meeting and previous ones with the Turkmen Gas official was like night and day. He was more friendly and relaxed and was extremely appreciative of the workshop. When the country manager broached the idea of Chevron working onshore, Hojамuhammedov brought out a schematic that showed plans for developing South Yoloten and Osman. Eight facilities - seven in South Yoloten and one in Osman - will be built. Pipes from wells will feed into the facilities, each of which will be designed to handle 10 bcm/year. Gas from the facilities will feed into a desulfurization/final processing facility to prepare the gas for export.

¶3. (C) Hojамuhammedov said that Turkmen officials are in negotiations with Turkish, Chinese, and South Korean companies to construct these facilities and to work as service providers. They are also in negotiations with one of these companies to handle production in one 10 bcm area. The

Chevron country manager suggested that his company provide coordination for the entire complex, an idea Hojamammedov reportedly found intriguing. Nevertheless, Hojamammedov said a PSA would not be possible. Looking for a possible way forward, the Chevron manager asked if there could be an agreement where payment would be based on the level of success. He said as long as the agreement was long-term, it could be doable for Chevron. He then offered to provide Hojamammedov a model agreement to have a better idea of what he meant. Hojamammedov said he would welcome the model agreement and would respond after reviewing it.

14. (C) COMMENT: One has to be creative to be successful in Turkmenistan. One thing Hojamammedov had asked Chevron in a meeting months ago was, "what can you do for us?" Hopefully, providing training is one answer to that question, and will serve as an incentive for the Turkmenistan government to find a mutually beneficial way for Chevron to work onshore. END COMMENT.
CURRAN